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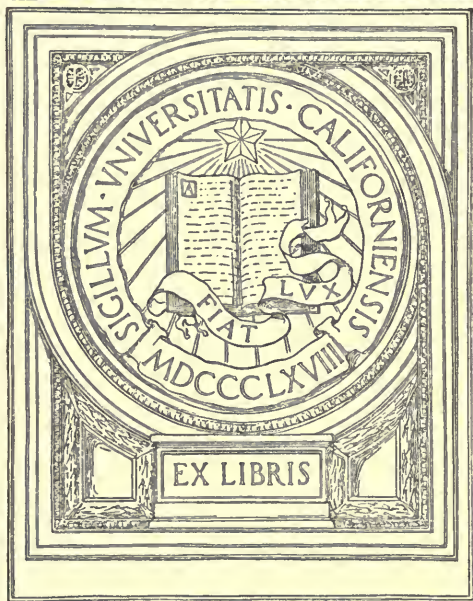
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An Abstract Narrative of the
Papers on the Trade of India...

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AN
ABSTRACT NARRATIVE
OF THE PAPERS ON THE
TRADE OF INDIA,

LATELY PRINTED BY THE DIRECTORS OF THE
HONOURABLE EAST-INDIA COMPANY,

FOR THE USE OF THE PROPRIETORS.

LONDON:

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THE PRINCESS OF WALES.

1801.



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REPORT OF THE SECRETARY OF THE ARMY

FOR THE YEAR 1911

REPORT OF THE SECRETARY OF THE ARMY
FOR THE YEAR 1911
PART I

OFFICE OF THE SECRETARY OF THE ARMY

WASHINGTON, D. C.

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P R E F A C E.

THE Author of the Abstract Narrative now submitted to the Public, feels the importance of the subject he has endeavoured to simplify: that those who have not leisure or inclination to wade through a voluminous mass of matter, may skim the cream of the argument, or rather take it ready skimmed.

Impartiality, the leading and most popular feature of our envied Constitution, has been his study; being well aware that on a subject where such honourable, and enlightened characters are at variance, he may safely state with a distinguished Writer,

“ Much may be said on both sides ! ! ”

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THESE are the names of the
persons who have been
of the highest importance in
the history of the world. The
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TRADE

BETWEEN

INDIA AND EUROPE.

THE Papers on this important subject,—a subject which has so long been floating in the minds of the commercial people, not only of this country, but in those of Europe at large—have lately been printed for the use of the Proprietors of East India Stock;—as their distribution must naturally be limited—the Author of the subsequent ABSTRACT NARRATIVE has endeavoured to simplify the subject, and by producing it in its present shape to render it accessible to that part of the Public who, though not Proprietors of East India Stock, are yet “tremblingly alive” to the interests of those Possessions which form

the brightest and most valuable jewels of the Imperial British Diadem.

These Papers forming a considerable volume, consist of Six Numbers, viz.

No. I. A Letter from the Right Hon. Henry Dundas to the Chairman, dated the 2d of April, 1800.

II. Report of the Special Committee, to whose consideration the Letter from Mr. Dundas was referred.

III. Minutes of the Court of Directors of the 4th of February, 1801, containing the Resolutions of the Special Committee, adopted by the Court.

IV. A Letter from the Right Hon. Henry Dundas to the Chairman, dated the 21st of March, 1801.

V. A Letter from the Governor-General to the Court of Directors; dated Fort Wil-

liam, the 30th of September, 1800, and received over-land the 2d of March, 1801.

VI. Second Report of the Special Committee.

There are besides a variety of Documents not printed, left for the perusal of the Proprietors in the Secretary's office, forming an APPENDIX to the printed volume.

I have taken some pains to bring the whole of the printed Papers into that kind of compressed state, which often is figurately and appropriately enough termed, lying in a NUT-SHELL, it will afford me infinite gratification should the circulation of the ABSTRACT NARRATIVE prove, that the Public find my NUT worth *cracking*. Without further Preface I proceed. *To*

(No. I.)

Mr. Dundas, in his Letter to the Chairman on the question of Private Trade and India-built Shipping, courts a decision—

has been unanimously approved by the ablest servants in India, and nothing has prevented its adoption but the great quantity of unemployed shipping sent out by the Company. The investment and shipping ought to be systematically conducted, and a discretion left to supply accidental deficiencies, with the shipping to be found in India; the regular shipping from this country should bear an exact proportion to the expected investment. It was on this principle three thousand tons of private trade were appropriated in 1793, at the renewal of the charter, though experience has proved its inadequacy; that clause in the act ought therefore to be repealed, and a power granted in lieu to employ India-built ships, which ships might be contracted for by Government, and re-freighted to the individuals—this would not operate against the regular shipping. The only effect of its not being adopted, would be to benefit the trade of other nations, but not to render any addition to the regular shipping of the Company. It may be also considered, how far

it is consistent with the national interests, that so much ship-timber of this country ought to be appropriated to its commercial concerns: it has been asked, why should not the subjects in Great Britain have the same indulgencies with those contended for in India?

The answer is plain, a MATERIAL NATIONAL INTEREST, the EXCLUSION OF FOREIGNERS. Such an indulgence to English merchants might tempt them to withdraw the capital of the country to a trade less profitable to themselves and less beneficial to the public, introducing a rival capital in India against the remittance trade of the Company, and the individuals sheltered under its wing. The export trade to India can never be proportionate to the wealth and population of the Indian empire; not but the exports, which have been increasing, may be considerably increased, but the prospect must be a limited one. A difference of opinion has prevailed to what places in India private trade

should be allowed. But there does not appear grounds for any particular restriction with regard to agency at home ; there is not cause for any interference of the Company, provided the great point is observed, that every thing comes through the Company's sales and warehouses.

No. II.

The Special Committee in their report on Mr. Dundas's Letter, speak of it as containing the outlines of Indian policy, traced with equal energy and justness, and with a liberality which must command respect and applause.

The Committee then proceed to take a short retrospect of the privileges already conceded to the individual Trade of India ; the claims now advanced ; the consequences to which they lead ; the commerce of British India with Europe and America, its amount and distribution ; the Indian Capital appli-

cable to it; the nature of the ability which British India possesses for extending its produce and exports, and the policy of promoting such an extension; and lastly, the true principles of policy by which the dependency of India on Great Britain should be maintained, and the intercourse between the two countries preserved; and conclude much elaborate investigation by the following Propositions :

“ That the Company shall themselves furnish whatever amount of tonnage may be wanted for bringing home private trade, in ships either wholly destined for that purpose, or if not so destined, at least not applied to political or warlike purposes; but sail from India direct to London, at fixed periods most convenient for the fair-weather season.

“ That the rate of freight during war, shall be as low as that at which the Indian ships arrived here in the present season are

chartered to the Company, and the peace freight proportionately reduced.

“ The commodities to be warehoused and shipped, and brought to the Company’s sales in the spirit of the existing regulations, and with every fair attention to the interest of the private trader.

“ That this particular class of ships shall be built by the Company, manned with Europeans, armed equal to the best of the Indian ships arrived in this country ; and till such are built, proper ships to be supplied.

“ That if at any time the provided tonnage shall not be sufficient, it shall be allowable for the Governments abroad to freight Indian ships to supply the deficiency.

“ That no person shall embark in this trade without the Company’s licence for residing in India.”

No. III.

Contains fifteen unanimous Resolutions of the Court, giving effect to the Propositions above stated, viz.

1. That the present system is the best calculated for the benefit of the Nation, and that an open Trade would be subversive of its rights.

2. That it is the interest of the Company and Nation to guard against any indefinite enlargement of the present system.

3. That the maritime exports from India of all nations in amity with Great Britain, exclusive of those for the Company are greater than at any former period.

4. Acknowledges the impolicy of excluding other European Nations from a proper share of Indian Commerce.

5. Asserts that the regulations of 1793 for extending the exports of England to India, and bringing home its commodities, have not been evaded by the Company, and that all charges against them on that head are unfounded,

6. That the clandestine trade from Bengal has rather diminished than increased, not exceeding on an average of four years ending with 1798-9, twenty-five lac of rupees per annum.

7. That, therefore, it may safely be concluded that the trade of Foreigners is a bona fide one with specie imported and which sound policy demands to be permitted.

8. That the trade with Europe from the Indian Settlements of the French, Dutch, and Spaniards, could not have been depressed by any other measures within the Company's power.

9. States the wish of the Company to encourage their Indian Subjects in agriculture and manufactures, and adverts to their liberal encouragement of several valuable articles on private account, viz. SUGAR and INDIGO.

10. That the capital of British India for an Export Trade to Europe, exclusively of that sent home, by bills on the Company, can never exceed half a million sterling, per annum.

11. Points out the danger of adding the capital of private residents in Great Britain, transplanted to India for the purpose of forcing the productions of that country beyond the ability of its own means.

12. That as the alledged difficulties of conveying goods by the Company's ships, have not prevented the disposal of all the produce which the capital of the country raised, the plea so often urged by persons

interested in the Private Trade, that the Company should permit the SURPLUS PRODUCE OF THE COUNTRY TO BE EXPORTED,

is unfounded

13. Conveys the Propositions of the Committee already stated, in the form of RESOLUTIONS.

14. Contains reasons against the propositions urged by Mr. DUNDAS.

15. Concludes by proposing a full discussion of the subject with Mr. DUNDAS.

No. VI.

Mr. DUNDAS on the 21st of March, in a second Letter to the Chairman states his sentiments on the Court's preceding Resolutions.

Upon the First, Second, Third, Fourth, Ninth, Tenth, Eleventh, and Twelfth, his opinion accords with the general principles and he pauses upon the Fifth, Sixth, Seventh,

and Eighth, from not having before him the particular documents on which they were founded. But it is to the PRINCIPLE and BASIS of the measure he differs: a RADICAL DIFFERENCE, the more to be regretted because the grand object of solicitude to both parties is precisely the same. If any thing can endanger the monopoly—a monopoly even more important to the political interests of the State, than to the commercial interests of the Company, it is an unnecessary adherence to points not essential for its existence. Mr. DUNDAS then refers to a letter of the 30th of September last, from the Governor-General, supporting with clearness and perspicuity, the grounds of every opinion and principle formerly adduced by the Right Honourable President, who concludes with intreating ~~that~~ if his reasoning and judgment, or the reasoning of the Governments abroad, has not the effect of varying the opinion of the Court, that they will not delay acting upon the principles detailed in their Resolutions; as the worst re-

sult that can arise from the discussion, is any further delay in coming to a decision upon it.

No. V.

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The GOVERNOR-GENERAL in a letter dated 30th of September 1800, received over-land 2d of March, 1801, states, that having thought it his duty to revert, during the present season, to his plan of the 5th of October 1798, viz. for the encouragement of the private Trade between India and London: he shall add the reasons which he hopes will induce the Court to sanction his proceedings by a regular and permanent system founded on similar principles.

The Court's orders of the 25th of May, 1798, were not received till the private Tonnage of 1798-9, had been already provided under terms of advertisement, on the 5th of October, 1798—but the Court's orders in the year 1799-1800, were strictly adhered

to, although his conviction remained unaltered with regard to the expediency and justice of his plan of the 5th of October, 1798.

Disappointed in receiving the Court's orders, he was compelled to adopt a Resolution which his duty and inclination would have induced him to delay, the more especially as the expected amount of the Tonnage of 1800-1, is inadequate to the demand in India, and a large proportion of the gruff goods belonging to the Company at Calcutta, and nearly the whole of the private goods, for which the Company is bound by Law to furnish Tonnage, cannot be shipped for England unless Indian built ships are employed. The question is therefore no longer that of expediency or liberal policy, the MODE of OBTAINING Tonnage is all that remains.

The result is, that the whole of the private goods of this season, must be sent on INDIAN Shipping,

Exclusively of two ships recently engaged, and provided with cargoes to the amount of 1500 tons, the port of Calcutta contains above 10,000 tons built in India—this Tonnage has been actually tendered. Marquis WELLESLEY proceeds to state the reasons which satisfied him that the plan of hiring ships on the part of the Company, and of re-letting them to the Proprietors of ships, leaving the Proprietors of ships, and the Merchants at liberty to settle the terms of freight, was more advantageous to both parties than the arrangement adopted by the Court's order's of May, 1798.

These orders were considered by the Merchants, particularly the Proprietors of heavy goods to be extremely prejudicial to their interest—also to the Proprietors of ships. Both parties appearing equally adverse to the intervention of the Company's Agency.

Under the Governor-General's plan of October, 1798, while the owners were en-

abled to afford freight at a reduced rate, they derived a greater profit. To the Merchant this plan affords the most important advantages—a reduction in rate of freight—a power to settle his engagements with the owner, previous to purchasing goods,—those goods accommodated to the existing rates of freight—and the regulation of every consignment and draft ~~for~~ *pro* rata to the quantum of Tonnage—to the period of exportation from India, and expected arrival in England—the Merchant whilst depending on the Company for Tonnage, is left in great embarrassment.

The private Tonnage from Bengal, subsequent to the act of 1793, exclusive of goods sent in privilege, stands thus :

		Tons.
1794-5	—	2,473
1795-6	—	5,346
1796-7	—	4,659
1797-8	—	3,787
1798-9	—	6,223
1799-1800	—	7,748

The correspondence of the Board of Trade affords abundant proof* that the above Tonnage would have increased particularly in 1799-1800, if adequate encouragement had been given to Indian built ships—and the preceding account shews that Bengal alone has exceeded by 2000 tons annually on an average, the amount of Tonnage allotted by law for all India.

In the present season, the Trade conveyed in foreign bottoms, if left unrestrained promises to increase even beyond the rapid progress of last year,. The port of Calcutta

* The Americans obtain Indian goods so much cheaper, by a direct intercourse with India, than they could through the circuitous route of Europe, that they will probably continue to deal largely, even on their own capital, with India. It is now the ordinary practice of the Americans, under the last treaty of commerce, to ship cargoes in India for America, to touch at some port in America, and without trans-shipping or unloading the goods in America, to proceed directly to Europe, and to dispose of their Indian cargoes in an European port. This practice is, unquestionably, contrary to the treaty of commerce with America.

containing about 8,500 tons of shipping under American, Portuguese, and Danish Colours ; this Trade is conducted with all the advantages of economy and celerity ; the voyage from America to Calcutta performed in less than four months ; some Americans have disposed of their imports, purchased another cargo, and left Calcutta within twenty days from the date of their arrival. Were the British Merchants in India permitted to provide their own tonnage, London would be the universal mart for the produce of Asia. The extra tonnage engaged in England, can never be a practicable channel through which the British Private Trade of India can contend with Foreign adventure.

The state of perfection which ship-building has attained in Bengal, supported by rapid and increasing supplies of timber ; large and thriving plantations of TEAK spreading over the whole province, renders tonnage to any amount always attainable.

A large proportion of this valuable trade is already in the hands of foreign nations. The trade of America and Portugal* with the part of Calcutta alone in 1799-1800, amounted

In Imports—Sa. Rs.	- - -	81,81,005
Exports	- - -	71,30,372

being an increase compared to the three pre-
ceding years.

In Imports of Sicca Rs.	- - -	63,98,678
Exports	- - -	43,92,768

Whilst the Imports of the British subjects in 1799-1800 amounted only to Sicca Rs.

* The Portuguese and Americans pay only one per cent on Indian produce imported and re-exported. By the warehousing act lately passed in Great Britain, calicoes pay $2\frac{1}{2}$, muslin $7\frac{1}{2}$ per cent, on the sales if sold for exportation; all other goods, (excepting cotton, spices, bullion, &c. diamonds, precious stones, which pay no duties) pay two per cent, exclusive of the convoy duty, payable by the importers. A reduction of those duties in England is absolutely necessary, to complete the system of drawing the private trade of India to the Port of London,

47,87,101, and the Exports to 67,66,649. The sales in England must necessarily be affected by the quantity of Indian goods thus passing into foreign markets, and the profits of the private British merchant proportionably diminished.

Every facility should be given to the British merchants in India, to enable them to enter into a competition with those trading in similar manufactures provided by foreign capital, and the Company will reap a proportionate advantage: its saving by the conveyance of goods by Indian built ships, this season, amounts to 20,000*l*.

Under the above serious impressions, Marquis Wellesley concludes, with adverting to the plan he has adopted for sending home Indian-built ships, by which means a temporary restraint is applied to the foreign trade; and ardently hopes, that the Court in their wisdom, may approve and perpetuate the policy which dictated his orders of the

5th of October, 1798, and 19th of September 1800.

No. VI.

The Special Committee in their second Report, enlarge on the references made to them of the Letters from Mr. Dundas and Marquis Wellesley, both on the important question of enlarging the trade of British Subjects between India and this country; they compliment Mr. Dundas highly on his candour, in admitting that the whole discussion between himself and the Court, has not been a controversy about their respective powers; but rather an argumentative inquiry.

On the single point on which Mr. Dundas differs, viz. Indian Shipping—the Committee still maintain their original ground, and contend that the probability only of great danger is a sufficient objection to the proposed innovations; the Committee then

proceed to animadvert on Marquis Wellesley's Letter, and they particularly advert to that part of it where, to shew that it is not probable any increase of Private British Trade in India, would necessarily produce a proportionate augmentation in the number of British Agents resorting thither. *He* observes, that British Merchants there, would be "likely to be employed by persons engaged in commercial concerns at home, who might easily conduct their operations with India." They state this to be a grand and even an essential difference in judgment between the Marquis on the one side, and the Court and Mr. Dundas on the other; and add, that it must be useless to debate about subordinate details, if this great point be not settled—they urge the high improbability of excluding, for any length of time, British Ships and Owners, and Merchants resident in Britain, from the privilege at first conceded only to India Ships, and Residents in India; and that if the proposed change (not within the scope of the Act of 1793,) were

admitted, such exclusion would be impossible.

Although the Committee cannot allow the present state of the Foreign Trade to be of preponderating importance in the vast question under consideration, they yet confess, that at a seasonable moment it may require the interposition both of Government and the Company. The circuitous Trade of the Americans with foreign Europe is a violation of the Treaty of Commerce, little merited by the great privileges given them in that quarter. The Indian Duties on exports and imports require modifications in favour of the London Trade.

The Committee have not a doubt that the effects of the privileges required would be very great upon the existing system of Indian intercourse and connection, and gradually change the character of that intercourse. Many things would conspire to antiquate the present establishment, and the genius, in a

word, of the Commerce thus carried on, would tend to an unrestrained and a colonial system.

In concluding this momentous subject, the Committee very feelingly describe the delicacy of their situation as Directors;—called upon to resist Private and Personal Interests—and add, that in their opinion the question involves in it ultimately, the permanence or the gradual supercession of the present system of Indian Policy.

FINIS.

The first of the year was a very dry one
and the crops were much injured by the
drought.

The second of the year was a very wet one
and the crops were much injured by the
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The sixth of the year was a very wet one
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floods.

The seventh of the year was a very dry one
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The eighth of the year was a very wet one
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The ninth of the year was a very dry one
and the crops were much injured by the
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